

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	3,582,723	3,661,813
2. Net premium income.....	XXX.....	840,409,063	469,433,363
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	(2,861,885)	
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....		
5. Risk revenue.....	XXX.....	1,593,347	
6. Aggregate write-ins for other health care related revenues.....	XXX.....	0	0
7. Total revenues (Lines 2 to 6).....	XXX.....	839,140,525	469,433,363
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits.....		540,542,835	522,365,305
9. Other professional services.....		13,762,352	11,189,235
10. Outside referrals.....		529,160	
11. Emergency room and out-of-area.....		16,171,205	
12. Prescription drugs.....		119,523,456	
13. Aggregate write-ins for other medical and hospital.....	0	0	120,996,051
14. Incentive pool and withhold adjustments.....			
15. Subtotal (Lines 8 to 14).....	0	690,529,008	654,550,591
<b>Less:</b>			
16. Net reinsurance recoveries.....			254,429,169
17. Total medical and hospital (Lines 15 minus 16).....	0	690,529,008	400,121,422
18. Claims adjustment expenses.....		56,003,851	21,864,466
19. General administrative expenses.....		42,154,078	28,563,659
20. Increase in reserves for accident and health contracts.....		(4,300,000)	(6,400,000)
21. Total underwriting deductions (Lines 17 through 20).....	0	784,386,937	444,149,547
22. Total underwriting gain or (loss) (Lines 7 minus 21).....	XXX.....	54,753,588	25,283,816
23. Net investment income earned.....		4,958,342	3,747,467
24. Net realized capital gains or (losses).....		1,108,952	1,054,787
25. Net investment gains or (losses) (Lines 23 plus 24).....	0	6,067,294	4,802,254
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
27. Aggregate write-ins for other income or expenses.....	0	421,618	234,871
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27).....	0	61,242,500	30,320,941
29. Federal and foreign income taxes incurred.....	XXX.....	16,445,452	5,350,317
30. Net income (loss) (Lines 28 minus 29).....	XXX.....	44,797,048	24,970,624

**DETAILS OF WRITE-INS**

0601.....	XXX.....		
0602.....	XXX.....		
0603.....	XXX.....		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX.....	0	0
1301. Prescription Drug Paid Claims.....			120,996,051
1302.....			
1303.....			
1398. Summary of remaining write-ins for Line 13 from overflow page.....	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above).....	0	0	120,996,051
2701. Miscellaneous Income / (Expense).....		421,618	316,880
2702. Correct Prior Year Equity Change in Machigonne, Inc.....			(82,009)
2703.....			
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	421,618	234,871

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
31. Capital and surplus prior reporting year.....	53,353,704	25,427,519
<b>GAINS AND LOSSES TO CAPITAL AND SURPLUS</b>		
32. Net income or (loss) from Line 30.....	44,797,048	24,970,624
33. Change in valuation basis of aggregate policy and claim reserves.....		
34. Net unrealized capital gains and losses.....	1,953,311	(4,476,590)
35. Change in net unrealized foreign exchange capital gain or (loss).....		
36. Change in net deferred income tax.....	(8,600,540)	(6,122,960)
37. Change in nonadmitted assets.....	76,261,999	12,791,213
38. Change in unauthorized reinsurance.....		
39. Change in treasury stock.....		
40. Change in surplus notes.....		
41. Cumulative effect of changes in accounting principles.....		1,011,718
42. Capital Changes:		
42.1 Paid in.....		
42.2 Transferred from surplus (stock dividend).....		
42.3 Transferred to surplus.....		
43. Surplus adjustments:		
43.1 Paid in.....		
43.2 Transferred to capital (stock dividend).....		
43.3 Transferred from capital.....		
44. Dividends to stockholders.....		
45. Aggregate write-ins for gains or (losses) in surplus.....	(75,711,561)	(247,820)
46. Net change in capital and surplus (Lines 32 to 45).....	38,700,257	27,926,185
47. Capital and surplus end of reporting year (Line 31 plus 46).....	92,053,961	53,353,704

**DETAILS OF WRITE-INS**

4501. Non Allowed Intangibles.....	(76,773,810)	
4502. Beginning GAAP Allowance for Bad Debts.....	1,468,804	
4503. Depreciation on Nonadmitted Increase to Market Value of Buildings.....	(620,911)	
4598. Summary of remaining write-ins for Line 45 from overflow page.....	214,356	(247,820)
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above).....	(75,711,561)	(247,820)